

May 31, 2012

The Honorable John Boehner
Speaker of the House
U.S. House of Representatives

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives

The Honorable Eric Cantor
Majority Leader
U.S. House of Representatives

The Honorable Steny Hoyer
Minority Whip
U.S. House of Representatives

The Honorable Kevin McCarthy
Majority Whip
U.S. House of Representatives

The Honorable James Clyburn
Assistant Minority Leader
U.S. House of Representatives

Dear Speaker Boehner, Majority Leader Cantor, Majority Whip McCarthy, Minority Leader Pelosi, Minority Whip Hoyer, and Assistant Minority Leader Clyburn:

As Congress explores policies to grow the economy, encourage job creation and innovation, we respectfully request that you add the repeal of the medical device excise tax to your list of priorities of legislation that should be acted on this year. We continue to believe that implementation of what was to be a \$20 billion excise tax – and is now estimated to collect over \$30 billion in taxes – will adversely impact patient care and innovation, and will substantially increase the costs of health care. On behalf of the more than 600 undersigned organizations, associations, companies, patients, providers and venture capital firms representing hundreds of thousands medical technology jobs, we ask that you bring the device repeal legislation, which has the support of more than 238 Members, to a vote.

As you know, the medical device industry is a unique American success story – both for patients and our economy. The United States is the world leader in manufacturing life-saving and life-enhancing treatments, and the industry is an important engine for economic growth. The industry employs more than 400,000 workers nationwide; generates approximately \$25 billion in payroll; pays out salaries that are 40 percent more than the national average (\$58,000 vs. \$42,000); and invests nearly \$10 billion in research and development (R&D) annually. The industry is fueled by innovative companies, the majority of which are small businesses with 80 percent of companies having less than 50 employees and 98 percent with less than 500 employees.

Unfortunately, beginning in 2013, the health care law will impose over \$30 billion in new excise taxes on medical technology companies that will stifle innovation and U.S. competitiveness. Despite the 2013 implementation date, the tax is already having an adverse impact on R&D investment and job creation, jeopardizing the U.S. global leadership position in medical device innovation. If this tax is not repealed, it will continue to force affected companies to consider cutting manufacturing operations, research and development, and employment levels to recoup the lost earnings due to the tax. It will also adversely impact patient access to new and innovative medical technologies.

In short, this tax on innovation should be repealed for the following three important reasons:

- The tax will stifle innovation and cost thousands of high-paying jobs. It will increase the effective tax rate for many medical technology companies, thereby reducing financial resources that should be used for R&D, clinical trials and investments in manufacturing. The impact will be especially hard on smaller companies whose innovations are not immediately profitable.
- The tax will increase health care costs as confirmed by a report issued in April 2010 by the Office of the Actuary at the Centers for Medicare and Medicaid Services (CMS). In some cases, the 2.3% tax will be passed on to consumers, leading to higher health care costs.
- The tax will not be offset by increased demand for medical devices. In fact, it is important to note that there is no evidence suggesting a device industry "windfall" from healthcare reform. Unlike other industries that may benefit from expanded coverage, the majority of device-intensive medical procedures are performed on patients that are older and already have private insurance or Medicare coverage. Where states have dramatically extended health coverage, such as in Massachusetts where they added 400,000 new covered lives, there is no evidence of a device "windfall."

At a time when the federal government is working to promote investment in U.S. industries of the future, it is inconsistent that a tax of this magnitude would be considered on the medical device industry. We must do all we can to encourage and promote research, development, investment and innovation. Instead, increased taxes, such as this one on the medical device industry, coupled with the increased regulatory uncertainty the industry also faces, will lead to further job losses, hinder the development of breakthrough treatments and delay patient access to medical technology.

We respectfully request timely action on legislation to repeal this over \$30 billion excise tax.

3C Spine, Inc.

3M Healthcare

Abaxis

Abbey Moor Medical

Abiomed, Inc.

Acacia Research Corporation

Academy of General Dentistry

AccessClosure

Accuitive Medical Ventures

Active Implants

Acumen Healthcare Solutions, LLC

Adept-Med International, Inc.

Adhezion Biomedical, LLC
Adroit Medical
Advanced BioHealing, A Shire Company
Advanced Bionics
Advanced Circulatory Systems, Inc.
Advanced Medical Technology Association
Advanced Technology Ventures
AdvanDx
Aerocrine, Inc.
Aesculap, Inc.
AestheTec, Inc,
Aethlon Medical, Inc.
Affinity Capital
Albright Technologies
Alcon Labs
Aleeva Medical Inc.
Allegro Diagnostics Corp.
Align Technology, Inc.
Allegro Diagnostics
Allergan
Allvivo Vascular, Inc.
ALPCO Diagnostics
Alphatec Spine, Inc.
Alta Partners
ALung Technologies, Inc.
Ambu, Inc.
Amedica
America's Blood Centers
American Academy of Facial Plastic & Reconstructive Surgery
American Association of Endodontists
American Association of Neurological Surgeons
American Association of Oral and Maxillofacial Surgeons
American Dental Association
American Society of Cataract and Refractive Surgery
American Society of Dentist Anesthesiologists
American Medical Systems
Analogic Corp
Andersen Products
Angel Medical Systems
AngioDynamics
AngioScore Inc.

Anulex Technologies, Inc.
AOTI Inc.
Apnex Medical, Inc.
Apollo Endosurgery
Applied Research & Photonics, Inc.
Aqueous Biomedical, Inc.
AqueSys, Inc.
ARC Medical, Inc.
Ardiem Medical, Inc.
Argenta Advisors
ARIBEX, Inc.
Arizona BioIndustry Association
ARKRAY
Arteriocyte Medical Systems, Inc.
ARTHROSURFACE, INCORPORATED
Asante Solutions, Inc.
Aspen Medical Products
AtCor Medical Holdings, Ltd.
ATEK Medical
Ativa Medical
AtriCure, Inc.
Atrium Medical Corporation
Aurident, Inc.
Autonomic Technologies, Inc
Auxogyn, Inc.
Avinger
Axiom Medical, Inc.
AxoGen, Inc.
B. Braun Medical, Inc.
Banyan Biomarkers
BAROnova, Inc.
BaroSense, Inc
BÂRRX Medical, Inc.
Baxano
BayBio
BEACON (Biomedical Engineering Alliance & Consortium)
Beaver Visitec
BeneChill, Inc.
Benvenue Medical, Inc.
Berman Medical

BioBDx
BioCardia, Inc.
BioCare Systems, Inc.
BIOCOM
Bioconnect Systems, Inc.
BioDerm, Inc.
BioFlorida
BIOforward
BioMedical Life Systems
BioMedix .
Biomimedica
bioMerieux, Inc.
BioMimetic Therapeutics, Inc.
Biomerix Corporation
Biomet, Inc.
BioOhio
Bioscale
BioSculpture Technology, Inc.
BioSET, Inc.
Biotest Laboratories, Inc.
Boston Healthcare Associates, Inc.
Boston Scientific Corporation
Botanical Laboratories
Breathe Technologies
BridgePoint Medical
BTE Technologies, Inc.
Busse Hospital Disposables
C.R. Bard, Inc.
Cabochon Aesthetics, Inc.
Caldera Medical, Inc.
Calibra Medical, Inc.
California Healthcare Institute (CHI)
Cape Cod, Inc.
Calypso Medical
Canaan Partners
Cannuflow Inc.
Cantimer, Inc.
Carbylan Biosurgery, Inc.
Cardia Access
Cardiac Dimensions, Inc.

Cardiac Science
CardiacAssist, Inc.
Cardinal Detecto
Cardinal Health
CardioNexus Corporation
CardioMEMS, Inc.
Cardiovascular Systems, Inc.
CareFusion Corporation
Carrot Medical
Carticept Medical, Inc.
Case Medical, Inc.
Catheter Connections
CBSA
CEA Technologies, Inc.
Celleration
Cellestis Inc.
CeQur
Checkpoint Surgical
CHF Solutions, Inc.
Christcot Medical Company
Cianna medical
Circadiance
City Hill Ventures, LLC
Clarity Medical Systems, Inc.
Clarus Medical, LLC
Cleveland Medical Devices Inc.
Clinical Research Consultants, Inc.
Cochlear
Coherex Medical
Colorado Bioscience Association
Columbus Chamber of Commerce
COMPASS International Innovations
Compression Therapy Concepts
Conceptus
Concert Medical
Congress of Neurological Surgeons
ConMed Linvatec
CONNECT
ConvaTec Inc.
Cook Medical
Corgenix Medical Corporation

Corindus Vascular Robotics
Corinthian Ophthalmic, Inc.
Corventis, Inc.
Covalent Medical, Inc.
Corventis, Inc.
Covidien
Creatv MicroTech, Inc.
Critical Diagnostics
Crux Biomedical
Curexo Technology Corporation
Curo Medical, Inc.
CV Ingenuity
CVRx Inc.
CyberHeart
Cyberonics
Cynosure
CytoMedical Design Group LLC
Cytopherx
Cytori Therapeutics, Inc.
CytoSorbents Corporation
D&D Medical, Inc.
DataPhysics Research, Inc.
DaVinci Biomedical Research Prod., Inc.
De Novo Ventures
Denterprise International, Inc.
Delcath Systems, Inc.
Dental Trade Alliance (DTA)
Design Mentor
Devicix
DFine, Inc.
DG Medical
Digirad
Direct Flow Medical
Disposable Instrument Co., Inc.
Domain Associates, L.L.C.
Drexler Medical
Dynatronics
E. Benson Hood Laboratories, Inc.
Echo Therapeutics
Edwards Lifesciences

EKOS Corporation
Ellipse Technologies, Inc.
Ellman International
Emergent Medical Partners
Emerson Consultants, Inc.
Endo Pharmaceuticals
Endo-Therapeutics, Inc.
EndoChoice, Inc.
EndoGastric Solutions
eNeura Therapeutics
Entellus Medical
EnteroMedics, Inc.
EPIC Research & Diagnostics
Erchonia Corp.
Essex Woodlands
eVent Medical
Evergreen Medical Technologies
Exactech
Experien Group
ExploraMed Development, LLC
FAST Diagnostics
FemCap Inc.
Ferris Mfg. Corp.
Figure 8 Surgical
Flexuspine, Inc.
Flocel Inc.
Florida Medical Manufacturing Consortium
ForSight Labs
Fortimedix USA, Inc.
Fresenius Medical Care NA
Fujirebio Diagnostics, Inc.
Galil Medical
Galt Medical
Gambro
GE Healthcare
Gen-Probe Incorporated
GENICON
Gentis Inc.
GI Dynamics, Inc.
Globe Composite Solutions, Ltd.
Globus Medical

GluMetrics
Greatbatch Medical
Great Lakes NeuroTechnologies Inc.
GT Urological, LLC
Haemonetics Corp.
HALT Medical, Inc.
HealthCare Institute of New Jersey
Health Industry Distributors Association (HIDA)
Healthpoint Biotherapeutics
HealthpointCapital
HeartFlow
HeartWare International, Inc.
Heidelberg Engineering
HEMERUS
Hemosphere
Hill-Rom
HITACHI MEDICAL SYSTEMS AMERICA, INC.
Hospira Inc
Hotspur Technologies, Inc.
Hull Associates
Hycor Biomedical, Inc.
Hydrocision
ICAP Patent Brokerage
Ichor Medical Systems
ICONACY Orthopedic Implants, LLC
IKARIA
Illinois Biotechnology Industry Organization—iBIO®
IlluminOss Medical, Inc.
ImaCor
Imalux Corporation
IMARC Research
ImpediMed
Impliant, Inc.
ImThera Medical, Inc.
Incline Therapeutics
Indiana Health Industry Forum
Indiana Medical Device Manufacturers Council
InfoBionic
Infraredx, Inc.
InfraScan, Inc.
InjectiMed, Inc.

Innovative Surgical Designs, Inc.
Innovative Trauma Care Inc
Innovent Medical Solutions, Ltd.
Inogen
Insight Medical
inSite Medical Technologies
Instratek, Inc.
Insurgical LLC
International Sterilization Laboratory LLC
InterValve, Inc.
Interventional Autonomics Corporation
IntraPace
IntriCon
IntriMed Technologies
Intuity Medical, Inc
Ionix Medical, Inc.
iRhythm Technologies, Inc.
ISTO Technologies, Inc.
Ivantis, Inc.
J.H. Garver Consulting, LLC
Jabil
Jack Saladow & Associates
Kalypto Medical
KCI
Kensey Nash Corporation
KFx Medical Corporation
Kimberly-Clark Health Care
KRONUS, Inc.
Kspine, Inc.
LAAX, Inc.
Laser Peripherals, LLC
LeukoDx Ltd.
LFI Medical
Life Core Technologies
Lifecore Biomedical, LLC
LifeScience Alley
LifeWave
Life Technologies
Linde Healthcare
LogicMark, LLC

Lutonix, Inc.
Mack Medical
MacuCLEAR, Inc.
Magellan Technologies, Inc.
Magnolia Medical Technologies, Inc.
Mardil Medical, Inc.
Masimo
Massachusetts Medical Device Industry Council
MBL International Corporation
MB Venture Partners, LLC
Medafor, Inc.
Medenovo, LLC
Medigroup, Inc.
MedDx Capital Advisors
Medical Device Consultants, Inc.
Medical Device Manufacturers Association
Medical Imaging & Technology Alliance
Mediclever
MediStim USA, Inc.
Medrad
Medrobotics Corporation
MedTech
Mercury Medical
Merit Medical Systems, Inc.
Metric Medical Devices, Inc.
Micardia Corporation
Micell Technologies
MichBio
MicroTransponder Inc.
Midmark Corporation
Millar Instruments, Inc.
Minerva Medical
Minnetronix
Mirador Biomedical
Miramar Labs
Molecular Detection, Inc.
Monebo TEchnologies, Inc.
Moog Medical Devices
Morgenthaler Ventures
Morris Innovative

Mound Laser & Photonics Center
Moximed
MPM Capital
MPR Product Development
Myomo, Inc.
MyoScience
Nanostim
National Association of Manufacturers (NAM)
National Federation of Independent Business
National Venture Capital Association
Naviscan, Inc.
NDH Medical
Nelson Laboratories, Inc.
Neocure
Neomend, Inc.
NeoMetrics, Inc.
NeoTract, Inc.
Neovista Inc.
Neuro-Fitness LLC
Neuro Resource Group, Inc.
NeuroTherm
NeuroTronik
Neuronetics, Inc.
NeuroPace
NeuroVista Corporation
NeuroWave Systems Inc.
Neuvomedica Ltd.
Nevro
New Enterprise Associates
New Jersey Life Sciences Vendors Alliance
New Leaf Venture Partners
NexDx, Inc.
NinePoint Medical
Niveus Medical
Nocimed, LLC
Non-Invasive Medical Systems
Nonin Medical
Norris Capital, Inc.
North Carolina Biosciences Organization
Nova Biomedical

Novasys Medical
NovaSom
NuOrtho Surgical, Inc.
Nuvasive
Nuvimedix LLC
NVCA/MedIC
NxStage Medical, Inc.
NxThera, Inc
O.E. Meyer Co.
Ohio Manufacturers' Association
OmniGuide, Inc.
OMNIlife science, Inc.
OncoHealth
ONSET Ventures
On-X Life Technologies, Inc.
OptiMedica
OptiScan Biomedical, Inc.
OraSure Technologies, Inc.
Orbital Research Inc.
Orchid Orthopedic Solutions
Orlucent
Ortho Kinematics
OrthoCor Medical
Orthodontic Manufacturers Association
OrthoWorx
OsteoMed
Paracor Medical, Inc.
Pathfinder Therapeutics, Inc.
Pathway Medical Technologoes
Patient Pocket, LLC
Pennsylvania Bio
Penumbra, Inc.
Penn-Century, Inc.
PercSys
Percutaneous Systems
Phillips Consulting Group, LLC
Philips Electronics North America
PhotoMed Technologies, Inc.
PhotoThera, Inc.
Pivot Medical Inc.
Plasma Technologies, Inc.

Plexus Corp.
Pluromed, Inc.
Portaero
Preceptis
Precise-Pak Inc.
Prism VentureWorks
Prizm Medical, Inc.
Prospect Venture Partners
Proteus Biomedical, Inc.
Pro2Med Inc.
Prospex Medical
PuriCore
QHeart Medical Inc.
QualPro Consulting
Quasar Bio-Tech Inc.
Quidel Corporation
RBC Capital Markets
Redpoint Corporation
Regenesis Biomedical, Inc.
Regulatory & Quality Solutions LLC
Reichert Technologies
Reimbursement Strategies, LLC
Relievent Medsystems, Inc.
Respicardia, Inc.
Respiratory Research, Inc.
Respira Therapeutics, Inc.
Respiratory Technologies Inc.
ReVent Medical, Inc.
Reverse Medical
ReVision Optics
RhythmLink International, LLC
RITM America
RODO Medical, Inc.
RoundTable Healthcare Partners
ROX Medical
RxFunction, Inc.
Saladax Biomedical, Inc.
SandBox Medical LLC
Scientific Imaginetics
SDRS LLC

Second Sight Medical Products, Inc.
Sensable
Sequent Medical Inc.
SI-BONE, Inc.
Siemens Healthcare
SightLine Partners
SIGNUS Medical, LLC
Silere Medical Technology, Inc
Silicon Valley Leadership Group
Silver Bullet Therapeutics, Inc.
Sirtex Medical Inc
Skyline Ventures
Small Bone Innovations, Inc.
Smart Perfusion, LLC
Smith and Nephew, Inc.
Smiths Medical
Solta Medical, Inc.
Sonoma Orthopedics
Soteira, Inc.
Sotera Wireless
Southeastern Medical Device Association
SP Surgical
Spectranetics
SpectraScience, Inc
SpherIngenics, Inc.
Spinal Kinetics
SpinalMotion, Inc.
Spinal Modulation, Inc.
Spine Wave, Inc.
SpineAlign Medical, Inc.
Spinal Ventures, LLC
Spineology Inc.
Spiracur Inc.
Spiration, Inc.
SPIWay, LLC
Split Rock Partners
St. Jude Medical
STD Med, Inc.
Steris Corporation
Stimwave

Stout Medical Group
Strada Consulting
Streamline, Inc.
Strohl Medical
Stryker
Sunshine Heart
SunShine Medical LLC
superDimension, Ltd.
SurgeOptix
SuturePro Technologies
Svelte Medical Systems, Inc.
Swan Valley Medical, Incorporated
Synapse Biomedical, Inc.
Synecor, LLC
Synergy Life Science Partners
Sysdyne Corporation
Tactile Systems Technology, Inc.
Targeson, Inc.
Tarsus Medical Inc.
TearScience, Inc.
TEI Biosciences Inc.
Tenaxis Medical, Inc.
The Eclipse Group
The Foundry
The Innovation Factory
The Vertical Group
TheraTogs, Inc.
Therapeutic Resources, Inc.
ThermoGenesis Corp.
Therox
THI, Inc.
Thoratec Corporation
Three Arch Partners
ThreeWire
Thubrikar Aortic Valve, Inc.
TIDI Products
TranS1, Inc.
Transcend Medical
Transcorp Spine
TransEnterix, Inc.

Transonic Systems, Inc.
TriVascular, Inc.
Twin Star Medical
TYRX, Inc.
U.S. Chamber of Commerce
UltiMed, Inc.
Unilife medical solutions
Urologix, Inc
Uromedica, Inc.
Uroplasty, Inc.
Urovalve, Inc.
USGI Medical, Inc.
USHIFU, LLC
Utah Technology Council
Valeritas, Inc.
Valley Ventures
ValveXchange, Inc.
Vascular Solutions, Inc.
Vector Resources
Velico Medical, Inc.
Velomedix, Inc.
Venous Health
Ventus Medical, Inc.
Veracyte
Versant Ventures
Vibrynt, Inc.
VIDA Diagnostics
Virginia Biotechnology Association
VirtualScopics, Inc.
Viscogliosi Bros., LLC
VisionCare Ophthalmic Technologies
Vital Therapies, Inc.
Vital/Med Systems Corporation
Vitalcor, Inc.
Viveve
Volcano Corp.
Washington Biotechnology & Biomedical Association
Waters Corporation
Welch Allyn
Wescor

White Pine Medical, Inc.
Wilson Sonsini Goodrich & Rosati
Woolfson Eye Institute
Xlumena
Zilico Limited
Zimmer, Inc.
ZOLL
Zynex Medical, Inc.

